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Developments in Indochina

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Developments in Indochina

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A rice crisis appears almost certain in the next few months. Deliveries from the delta are off, and foreign imports are being delayed. Rationing has already been imposed in Saigon, and black market prices are 50 percent higher than official prices. Communist terrorism is on the increase in the delta, the northern provinces, and around Saigon.

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Khmer and Vietnamese Communist forces have stopped shooting at each other in the two southern provinces of Kampot and Takeo, but friction has not been eliminated.

SOUTH VIETNAMSouth Vietnam's Rice Situation Worsens

A year-end rice crisis in South Vietnam, predicted for the past several months, now appears almost certain. The rice control measures enacted by the government in August were designed to increase deliveries from the delta and hold retail prices in check. They worked for only one month. Deliveries from the delta appear to have fallen again to normal seasonal lows, and retail rice prices in Saigon are soaring. More important, difficulties in obtaining rice in the US have forced deferral of earlier projected PL-480 shipments--probably until Christmas at the earliest, instead of late November or early December. South Vietnam's chances for significant imports from other sources over the next few months are slim because of the tight situation in Asia and the rest of the world.

The Thieu government is now privately predicting that except in the delta rice stocks will run out by mid-December. Its projection assumes, however, a normal rate of consumption, which is unrealistic because of the high rate of hoarding and speculation in recent weeks. Rice stocks outside the delta could be completely depleted, with no relief in sight for as long as four to six weeks unless additional supplies are received from the delta. Stocks of undetermined size held by some householders would then become the principal food source. As a result, serious local and individual problems could emerge for those who have inadequate supplies.

Responding to government controls and increased demand, a black market for rice has sprung up in Saigon for the first time in many years. Prices on

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this market are more than 50 percent above official prices, which, in turn, are up about 60 percent over the start of the year. The government's response to the deteriorating stock situation was a decision on 22 September to issue ration books to Saigon consumers, limiting a family's monthly purchases at official retail outlets to 20 kilograms. This amount is only about one third of average requirements; the remainder presumably will have to be purchased on the black market or consumed from household stocks.

The severity of popular reaction to rice shortages would depend on who and how many actually go hungry. Those in the army, the police, the civil service, or elsewhere in the government's power base would probably be able to obtain enough rice for themselves and their families. Rice would also be available to those with the means to bid high enough for it. Most farmers are able to provide for themselves, and many families in urban areas try to keep a month's supply of rice in their homes. On the other hand, the chronically inefficient rice distribution system could very well break down completely; for example, Saigon could have adequate supplies, while other urban and rice-deficit areas were hard hit. Many of the poor, who eat little but rice, would probably have difficulty finding rice or rice substitutes they can afford.

If the situation becomes desperate, the government is likely to resort to even tighter rationing and perhaps confiscation of rice. It may even sack some ministers and conduct show trials of speculators including illegal traders, possibly leading to some executions. Chinese businessmen, who control much of the financial and marketing systems in South Vietnam, probably would be especially vulnerable as scapegoats. Scattered public violence and rice riots are possible, but because of Thieu's firm control of the military and police, the government would probably be able to withstand the crisis.

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Terror: A Weapon in the "Rice War"

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[redacted] Communist forces throughout South Vietnam are apparently turning more and more to terrorist attacks on military and civilian officials in rice-growing provinces as a means of weakening the government's control over farmers. In the rice-rich delta, the number of terrorist incidents during September were triple those of the previous two months combined. Increased terrorism has also been reported in the northern coastal provinces and the area around Saigon. A large number of the incidents involve assassinations of hamlet and village officials.

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[redacted] Authorities in Quang Ngai City believe that a raid on a warehouse there on 23 September was an attempt to steal government rice stores.

President Thieu and other officials have recently warned the population that current shortages could precipitate a "rice war" with the Communists during the fall harvest. Thieu has ordered all local officials to maintain close supervision over farmers and other persons engaged in the rice harvest in order to keep the crop from falling into Communist hands. The Communists may believe that terrorist attacks on local officials will force them to make accommodations or to retreat to the district towns and perhaps lead them to withdraw local security forces from the rice fields.

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An Uneasy Calm in Kampot and Takeo

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[REDACTED]

[REDACTED]

[REDACTED] Some progress has been made in arranging the withdrawal of North Vietnamese units from the northern portions of Takeo and Kampot and in delineating areas of administrative control along the South Vietnamese border. But other questions, such as the status of Vietnamese units in the southern portions of the provinces, have yet to be resolved.

Provincial Khmer Communist officials in Takeo and Kampot are not pleased with the agreement and are taking out some of their frustrations on Vietnamese civilians residing in the Khmer Communist zone. Some Vietnamese civilians have moved back into South Vietnam to avoid discriminatory tax, travel, and land ownership policies. In mid-September, anti-Vietnamese propaganda was still being distributed in Kampot and Takeo, and Khmer Communist officials in the town of Kompong Trach in Kampot were trying to organize a "popular" demonstration protesting the continued presence of Vietnamese Communist troops.

One apparent side effect of the hostilities along the southern border this past summer has been a polarization of factions within Khmer insurgent ranks. Recent defectors [REDACTED] claim that anti-Sihanouk groups turned on Sihanouk followers who tried to remain "neutral" during the feud with the Vietnamese. Other reports allege that Communist officials in nearby Kandal Province, where anti-Vietnamese feelings are also high, have been criticizing their compatriots in Prey Veng Province for working too closely with the Vietnamese.

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